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FISCAL IMPACT STATEMENT

LS 6928

BILL NUMBER: HB 1569

NOTE PREPARED: Jan 13, 2013

BILL AMENDED:

SUBJECT: Land Based Casinos.

FIRST AUTHOR: Rep. Riecken

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill authorizes a licensed owner to move riverboat gambling operations to an inland location if approved by the gaming commission. It specifies the sites to which a gambling operation may be relocated. It provides that the licensed owner may not offer more gaming positions than currently offered at the docked riverboat. It makes conforming changes.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Indiana Gaming Commission:* The provisions of the bill dealing with relocation of riverboat casinos to an inland casino location will result in additional administrative responsibilities for the IGC. The fiscal impact that might arise from this new responsibility is indeterminable. However, any additional expenses would be paid from riverboat wagering tax revenue annually appropriated to the IGC for administrative purposes. (Note: Current statute provides that sufficient funds are annually appropriated to the IGC from riverboat wagering tax revenue deposited in the State Gaming Fund to administer the riverboat gambling laws.) The 2011-2013 biennial budget bill appropriated \$2.9 M annually in FY 2012 and FY 2013 from the State Gaming Fund to the IGC for administrative purposes.

Explanation of State Revenues: The bill permits a riverboat casino owner to relocate gaming operations from the riverboat casino to a land-based facility with the approval of the Indiana Gaming Commission (IGC), provided the land-based facility complies with the following:

(1) It is located on property adjacent to the dock site of the riverboat casino, a property located in the downtown area of the city designated by statute as the home of the riverboat casino, a property approved by the county

legislative body in Harrison County or Switzerland County, or a property approved by the legislative body of the city designated by statute as the home of the riverboat casino.

(2) The owner begins construction on the land-based casino before January 1, 2016.

(3) The land-based facility complies with all applicable building codes and any safety requirements imposed by the IGC.

The bill prohibits the riverboat owner from offering more gaming positions in the land-based facility than offered on the riverboat casino on January 1, 2013. The bill also prohibits the IGC from imposing a fee for the privilege of relocating.

The potential fiscal impact of riverboat casinos around the state relocating to land-based operations is indeterminable and would depend on various factors, including ownership, facility attributes, market factors, and capital availability. Relocation to a land-based facility next to the dock site of the riverboat casino will not affect the geographic markets currently served by the riverboat casinos. The impact that movement within a county or city might have would depend primarily on the proximity of other nearby competing casinos. As well, the bill prohibits the owner from expanding the gaming operations in so far as gaming positions by relocating to a land-based facility. This limitation could limit any fiscal impact of relocations.

Explanation of Local Expenditures: The bill provides that the ordinance allowing the riverboat to dock in a particular city or county is sufficient authority to permit a casino to operate from an inland location in the city or county.

Explanation of Local Revenues: See Explanation of State Revenues.

State Agencies Affected: Indiana Gaming Commission.

Local Agencies Affected: Local cities and counties with riverboats.

Information Sources:

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